

ERIC P. ISRAEL (State Bar No. 132426)  
*eisrael@dgdk.com*  
JOHN N. TEDFORD, IV (State Bar No. 205537)  
*jtedford@dgdk.com*  
SONIA SINGH (State Bar No. 311080)  
*ssingh@dgdk.com*  
DANNING, GILL, DIAMOND & KOLLITZ, LLP  
1901 Avenue of the Stars, Suite 450  
Los Angeles, California 90067-6006  
Telephone: (310) 277-0077  
Facsimile: (310) 277-5735

Proposed Attorneys for Michael A. McConnell,  
Chapter 11 Trustee

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA**  
**NORTHERN DIVISION**

In re  
HVI CAT CANYON, INC.,  
Debtor.

Case No. 9:19-bk-11573-MB

Chapter 11

**CHAPTER 11 TRUSTEE'S NOTICE OF  
RESPONSE AND RESPONSE TO  
APPLICATION FOR ORDER  
AUTHORIZING AND APPROVING THE  
EMPLOYMENT OF PACHULSKI STANG  
ZIEHL & JONES LLP AS COUNSEL FOR  
THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS, EFFECTIVE  
AS OF AUGUST 16, 2019**

Date: November 12, 2019  
Time: 11:00 a.m.  
Place: Courtroom 201  
1415 State Street  
Santa Barbara, California 93101

PLEASE TAKE NOTICE that Michael A. McConnell, the Chapter 11 trustee (the  
"Trustee") for the estate of HVI Cat Canyon, Inc., hereby files his response to the Application for  
an Order Authorizing and Approving the Employment of Pachulski Stang Ziehl & Jones LLP as  
Counsel for the Official Committee of Unsecured Creditors, Effective as of August 15, 2019  
(*docket no. 214*) (the "PSZJ Application") filed by the Official Committee of Unsecured Creditors  
(the "Committee") on or about September 20, 2019.

1 PLEASE TAKE FURTHER NOTICE that, pursuant to the Court's order continuing the  
2 hearing on the PSZJ Application entered on or about October 25, 2019 (*docket no. 447*), the  
3 Committee may, not later than November 8, 2019, file and serve its reply papers to the Trustee's  
4 response to the PSZJ Application.

5  
6 DATED: November 4, 2019

DANNING, GILL, DIAMOND & KOLLITZ, LLP

7  
8 By: 

9 ERIC P. ISRAEL

10 Proposed Attorneys for Michael A. McConnell,  
11 Chapter 11 Trustee  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

RESPONSE

Michael A. McConnell, the Chapter 11 trustee (the “Trustee”) for the estate of HVI Cat Canyon, Inc. (the “Debtor”), hereby responds to the Application for an Order Authorizing and Approving the Employment of Pachulski Stang Ziehl & Jones LLP as Counsel for the Official Committee of Unsecured Creditors, Effective as of August 15, 2019 (*docket no. 214*) (the “PSZJ Application”) as follows:

1. On or about September 20, 2019, the Official Committee of Unsecured Creditors (the “Committee”) filed its application to employ Pachulski Stang Ziehl & Jones LLP (“PSZJ”). On or about October 4, 2019, the California State Lands Commission (the “Commission”) filed its limited objection to and request for a hearing on the PSZJ Application (*docket no. 346*) (the “PSZJ Limited Objection”) on the grounds that the relief requested was premature because a significant number of creditors intended to apply for appointment of a Chapter 11 trustee, who would hire his/her own professionals. On or about October 10, 2019, the Court set the hearing on the PSZJ Application for October 28, 2019, at 10:00 a.m. (*docket no. 382*). The Committee filed its reply to the PSZJ Limited Objection on or about October 11, 2019 (*docket no. 392*), and the Commission filed a response thereto on or about October 21, 2019 (*docket no. 422*).<sup>1</sup>

2. On or about October 16, 2019, the Court entered its Agreed Order Granting Motion for Appointment of a Chapter 11 Trustee (*docket no. 409*). On or about October 22, 2019, the Court approved the appointment of Michael A. McConnell as the Chapter 11 trustee in this case (*docket no. 431*).

3. The Trustee does not oppose the PSZJ Application. However, the scope of PSZJ’s work from and after the Trustee’s appointment should be significantly scaled back. The Trustee is now the sole representative of the estate. In re Cedar Funding, Inc., 419 B.R. 807, 816–17 (B.A.P. 9th Cir. 2009) (citing 11 U.S.C. § 323(a)). The Trustee is held accountable for the estate, will

---

<sup>1</sup> Interested party UBS AG, London Branch filed a response in support of the PSZJ Application (*docket no. 406*). The California Department of Conservation, Division of Oil, Gas & Geothermal Resources and creditor Buganko, LLC filed joinders to the PSZJ Limited Objection (*docket nos. 429 and 430, respectively*).

1 investigate the debtor's financial affairs, and furnish information concerning the estate and its  
2 administration to parties-in-interest. Id. (citing 11 U.S.C. § 704). "Once a Chapter 11 trustee is  
3 appointed, the role of the Creditors Committee should be reduced since the trustee has a statutory  
4 fiduciary duty to the same unsecured creditors represented by the Committee." In re Hearthstone  
5 Homes, Inc., No. BK12-80348-TLS, 2012 WL 4027296, at \*3 (Bankr. D. Neb. Sept. 12, 2012)  
6 (citing In re Pacific Ave., LLC, 467 B.R. 868-870 (Bankr. W.D.N.C.2012)). Given the Trustee's  
7 appointment, the Committee should "limit its involvement and avoid unnecessary duplication of  
8 the [T]rustee's efforts." Id.

9 For the foregoing reasons, the Trustee does not oppose the PSZJ Application, with the  
10 expectation that the Committee's role will be significantly more limited in light of the Trustee's  
11 appointment. The Trustee further prays for all other appropriate relief.

12  
13 DATED: November 4, 2019

DANNING, GILL, DIAMOND & KOLLITZ, LLP

14  
15 By: 

16 ERIC P. ISRAEL

17 Proposed Attorneys for Michael A. McConnell,  
18 Chapter 11 Trustee  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 1901 Avenue of the Stars, Suite 450, Los Angeles, CA 90067-6006.

A true and correct copy of the foregoing document entitled (*specify*): CHAPTER 11 TRUSTEE'S NOTICE OF RESPONSE AND RESPONSE TO APPLICATION FOR ORDER AUTHORIZING AND APPROVING THE EMPLOYMENT OF PACHULSKI STANG ZIEHL & JONES LLP AS COUNSEL FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, EFFECTIVE AS OF AUGUST 16, 2019 will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) November 4, 2019 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page.

**2. SERVED BY UNITED STATES MAIL:**

On (*date*)   , I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page.

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*):** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) November 4, 2019, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

PERSONAL DELIVERY ALSSI – TO BE DELIVERED BY 11/5/19  
The Honorable Martin R. Barash  
U.S. Bankruptcy Court  
Bin on 1st Floor outside entry to Intake Section  
21041 Burbank Blvd.  
Woodland Hills, CA 91367

☐ Service information continued on attached page.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

November 4, 2019  
\_\_\_\_\_  
Date

Gloria Ramos  
\_\_\_\_\_  
Printed Name

/S/ GLORIA RAMOS  
\_\_\_\_\_  
Signature

**ADDITIONAL SERVICE INFORMATION (if needed):**

**1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")**

- **William C Beall** will@beallandburkhardt.com, carissa@beallandburkhardt.com
- **Alicia Clough** aclough@loeb.com, mnielson@loeb.com, ladocket@loeb.com
- **Marc S Cohen** mscohen@loeb.com, klyles@loeb.com
- **Alec S DiMario** alec.dimario@mhlpl.com, debra.blondheim@mhlpl.com; Syreeta.shoals@mhlpl.com
- **Karl J Fingerhood** karl.fingerhood@usdoj.gov, efile\_ees.enrd@usdoj.gov
- **H Alexander Fisch** Alex.Fisch@doj.ca.gov
- **Don Fisher** dfisher@ptwww.com, tblack@ptwww.com
- **Brian D Fittipaldi** brian.fittipaldi@usdoj.gov
- **Gisele M Goetz** gmgoetz@hbsb.com, ggoetz@collegesoflaw.edu
- **Karen L Grant** kgrant@silcom.com
- **Ira S Greene** Ira.Greene@lockelord.com
- **Matthew C. Heyn** Matthew.Heyn@doj.ca.gov, mcheyn@outlook.com
- **Brian L Holman** b.holman@musickeeler.com
- **Eric P Israel** eisrael@dgd.com, danninggill@gmail.com; eisrael@ecf.inforuptcy.com
- **Razmig Izakelian** razmigizakelian@quinnemanuel.com
- **Alan H Katz** akatz@lockelord.com
- **John C Keith** john.keith@doj.ca.gov
- **Jeannie Kim** jkim@friedmanspring.com
- **Brian M Metcalf** bmetcalf@omm.com
- **David L Osias** dosias@allenmatkins.com, bcrfilings@allenmatkins.com, kdemorest@allenmatkins.com, csandoval@allenmatkins.com
- **Darren L Patrick** dpatrick@omm.com, darren-patrick-1373@ecf.pacerpro.com
- **Jeffrey N Pomerantz** jpomerantz@pszjlaw.com
- **Todd C. Ringstad** becky@ringstadlaw.com, arlene@ringstadlaw.com
- **Mitchell E Rishe** mitchell.rishe@doj.ca.gov
- **Daniel A Solitro** dsolitro@lockelord.com, ataylor2@lockelord.com
- **Ross Spence** ross@snowspencelaw.com, janissherrill@snowspencelaw.com; donnasutton@snowspencelaw.com; brittanyDecoteau@snowspencelaw.com
- **Christopher D Sullivan** csullivan@diamondmccarthy.com, mdomer@diamondmccarthy.com; kmartinez@diamondmccarthy.com
- **Jennifer Taylor** jtaylor@omm.com
- **John N Tedford** jtedford@dgd.com, danninggill@gmail.com; jtedford@ecf.inforuptcy.com
- **Salina R Thomas** bankruptcy@co.kern.ca.us
- **Patricia B Tomasco** pattytomasco@quinnemanuel.com, barbarahowell@quinnemanuel.com; cristinagreen@quinnemanuel.com
- **Fred Whitaker** lshertzer@cwlawyers.com
- **William E. Winfield** wwinfield@calattys.com, scuevas@calattys.com
- **Emily Young** pacerteam@gardencitygroup.com, rjacobs@ecf.epiqsystems.com; ECFInbox@epiqsystems.com